

*Income Potential from Outdoor
Recreation Enterprises in
Rural Areas in Ohio*

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In Cooperation with the
Resource Development Economics Division
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**OHIO AGRICULTURAL
EXPERIMENT STATION**

WOOSTER, OHIO

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INTRODUCTION

This study was undertaken to explore the potential for providing increased incomes to rural people through development of outdoor recreation enterprises on privately owned farm and other rural lands in Southern Ohio low income areas. It also provided detailed information on the nature of such enterprises including capital requirements, expense and income items, returns and problems of management. This information should be of particular value in the Rural Areas Development Program and other such efforts to stimulate rural local economies.

Population pressures, leisure time, buying power, and mobility are some of the factors which directly affect the demand situation for outdoor recreation. The large increases in these factors in the past decade and the expected future increases have generated a widespread interest in outdoor recreation throughout the United States.

In 1959 Marion Clawson said: "From all indications congestion in the national forests, national, state, county, and city parks, and other outdoor recreation areas is not a case of temporary growing pains, but rather a mild taste of a real crisis."²

The Outdoor Recreation Resources Review Commission estimates that participation in outdoor recreation will almost triple in the period from 1960 to 2000, while population will not quite double³ (see Table 1).

In order of importance in terms of activity days per person 12 years old and over, here are some of the most popular outdoor activities:

	June 1, 1960 to May 30, 1961
1. Driving for pleasure-----	20.73
2. Walking for pleasure-----	17.93

¹Agricultural Economist, Resource Development Economics Division, Economic Research Service, U.S. Department of Agriculture.

²Clawson, Marion, "The Crisis in Outdoor Recreation", Resources for the Future, Inc., Washington, D.C., March 1959.

³"Outdoor Recreation for America", a report to the President and to the Congress by the Outdoor Recreation Resources Review Commission, Washington, D.C., January 1962.

TABLE 1.—Factors Affecting Demand for Outdoor Recreation, 1957-2000¹.

Item	Year			
	1957	1960	1976	2000
Population				
Total U.S. (millions)		179	230	350
Percent living in metropolitan areas		63	70	73
Income:				
Total disposable consumer (billions of constant 1959 dollars)		354	706	1,437
Percent of consumer units in the \$10,000 and over bracket	14		40	60
Leisure Time:				
Standard scheduled work-week (hours)		39	36	32
Paid vacation (weeks)		2	2.8	3.9
Travel:				
Passenger miles by air in U.S. (billions)		30	150	325
Passenger miles by auto in U.S. (billions)		670	1,400	2,800
Passenger miles by rail and bus in U.S. (billions)		38	42	64
Total miles per capita		4,170	6,950	11,000
"Separate Outdoor Recreation Activity Occasions" (billions)*		4.4	6.9	12.4

¹Source: "Outdoor Recreation for America," Tables 18, 19, 21, 22, 23, 25, and 26.

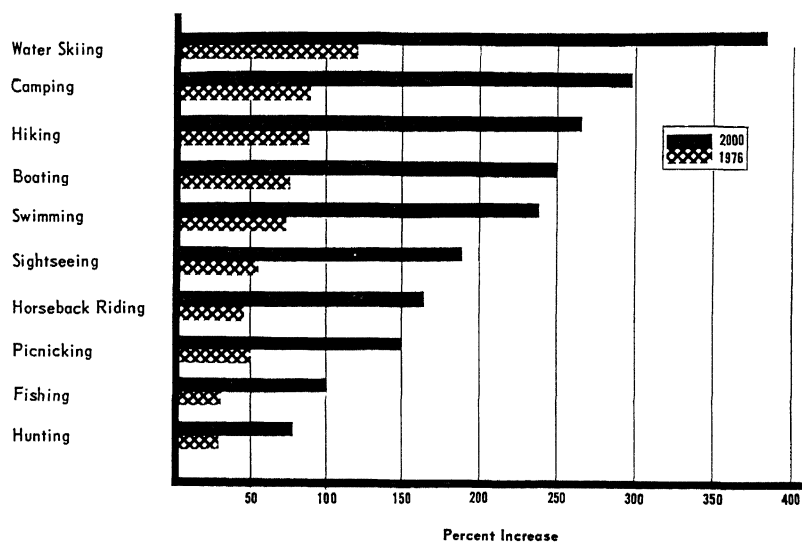
*Total for 17 selected outdoor activities. See source for further definition.

3. Playing outdoor games or sports.....	12.71
4. Swimming.....	6.47
5. Sightseeing.....	5.91
6. Fishing.....	4.19
7. Picnicking.....	3.53
8. Boating.....	1.95
9. Hunting.....	1.86
10. Horseback riding.....	1.25
11. Camping.....	.86
12. Ice skating.....	.55
13. Hiking.....	.42
14. Water skiing.....	.41
15. Snow skiing.....	.07

This ranking is in terms of average participation rather than in terms of the amount of money spent on the activity.

Projected increases in selected outdoor activities are shown in Figure 1, and indicate the amount of expansion which will be needed for those activities such as swimming and horseback riding which require special facilities. Water skiing, camping, hiking, and boating are expected to experience the greatest percentage increase but rank very low in terms of total participation.

Fig. 1.—Projected Percentage Increases¹ in Number of Total Occasions of Participation in Selected Outdoor Recreation Activities, 1976 and 2000.



¹/1960-1976 and 1960-2000

Source: Outdoor Recreation for America, Table 23, pg. 220

Because the foregoing paragraphs deal with the United States as a whole, they must be considered in the light of other available information when used in a study of outdoor recreation in Ohio. First of all, the greatest increases in demand will be near our large population centers. In 1960, 73.4 percent of Ohio's population was classified as urban, higher than the United States or any of Ohio's neighboring states. In addition, Ohio's population is highly concentrated; about 236 people per square mile compared to about 50 people per square mile in the entire U. S. and about 148 per square mile in the East North-Central states. Expected population increase between 1960 and 2000 is slightly higher than that expected for the nation as a whole.

Although people will have to drive farther and spend more time and money for outdoor recreation as the population increases, it must be remembered that, in most cases, the demand for outdoor recreation will vary according to distance from population centers, so location will continue to be a major factor determining the success of a recreation enterprise.

One very interesting aspect of the ORRRC Report is that opportunity to participate is a significant factor in outdoor recreation activity. This is particularly true of activities such as skiing, boating, hunting, and swimming; activities which require specialized facilities. This is of particular significance to developers of resources for recreation; the mere establishment of these facilities is likely to create some new demand.

Commercial Recreation on Private Land

Much of the demand for outdoor recreation requires facilities not traditionally supplied by public agencies. Sports such as skiing, riding, and hunting are more commonly provided by private concerns in Ohio.

About 70 percent of the land in the United States is privately owned. The ORRRC Report makes the following policy recommendations.

1. Greater emphasis should be placed by all levels of government on the larger role that private enterprise can have in providing outdoor recreation. Programs for public information about the role of private enterprise in outdoor recreation need to be emphasized and strengthened.
2. Both research and technical assistance programs need to be developed to help new recreation enterprises get started and to help established enterprises improve their operations.
3. Financial assistance needs to be made available to competent persons developing privately owned recreation facilities.

Since the above recommendations were made in January 1962, Congress and governmental agencies have begun making assistance available, particularly to the rural segments of our economy. The Food and Agriculture Act of 1962 empowered the Farmers Home Administration to make loans to family farms and associations of rural people who plan to develop or expand recreational facilities. The Agricultural Stabilization and Conservation Service has been authorized to make payments to farmers for the conversion of cropland to recreation purposes. The Forest Service and the Soil Conservation Service are responsible for providing technical assistance for these projects. In addition, the Extension Service, the Economic Research Service and other agencies of the Federal Government may be consulted on matters of recreational development. Most states have agencies which can provide assistance of some sort in developing resources for recreation. The Rural Areas Development program and the Area Redevelopment Administration are vitally concerned with recreational development.

Contribution to Rural Development

Development of resources for recreation can make a significant contribution to rural development in many areas. The preceding discussion of demand, however, indicates that not all rural areas will share equally in the expected increases. Location, accessibility, and topographic characteristics such as scenery and water resources are some important factors to consider in determining the suitability of an area for new recreation enterprises.

Where they can be successfully developed and operated, recreational enterprises can foster rural development by increasing owner income and by providing new employment for local people. Other contributions include: attracting new residents to the community; increasing the tax base of property, thereby increasing total tax revenues for local government and school districts; increasing the volume of business of nearby enterprises; and providing new recreational opportunities for local people.

Still other favorable effects, such as the multiplier effect (the spending and respending of money gained directly or indirectly as a result of the recreation enterprise) and more favorable community attitudes (civic pride and social awareness) have been noticed in areas where successful new recreational enterprises were established.

The degree to which a rural community will benefit from new recreational enterprises depends upon the size, number and degree of

success of the new enterprises as well as on the degree of acceptance accorded to the enterprise and its paying guests. In very few areas has development of resources for recreation been offered as a panacea for the economic ills of the area, but it is generally held that outdoor recreation can be of significant value to a community, especially if used as part of a comprehensive resource development plan.

Under present policies, rural development is receiving priority treatment by Federal and State governments but the basis of this policy is self-help. Rural people must get together, plan, and work on development projects with cooperation and aid from public bodies. Development of resources for recreation is a valuable tool for rural development in many areas. Conversion of farm lands to recreational use can serve as one approach in helping solve the two most salient features of the "farm problem"; low incomes and overproduction, as well as a timely method of providing a service for which the demand is rapidly increasing.

OBJECTIVES AND METHODS OF STUDY

The unglaciated area of southern Ohio is at a natural disadvantage for agriculture because of the rough terrain. Forestry has declined in importance and there is no particular reason to believe that industry will contribute much more, proportionately, to the economy of the area.⁴ However, land in southern Ohio which is not well suited for agriculture or industry may be ideal for certain types of outdoor recreation. Much of southern Ohio is located near centers of population and there is already considerable interest in outdoor recreation as well as some development. Farmers and other rural people own or control the basic requirement for outdoor recreation—land. Many have some of the capital requirements and the desire to provide facilities for recreation. However, there is need for more information on the basic land, labor, and capital requirements, fees, and expected profit margins. This investigation of existing recreation enterprises is made in order to provide information to those people who are concerned with the establishment, expansion, or reorganization of outdoor recreational enterprises.

The purposes of this study are to (1) provide information on numbers of existing outdoor recreational enterprises in the unglaciated area of southern Ohio and (2) to present data on land, labor, and capital requirements; costs and income; operator characteristics and

⁴See Donald D. Steward, *Employment, Income, and Resources of Rural Families of Southeastern Ohio*, Research Bulletin 886, OAES, June 1961; and *Proceedings of Ohio Natural Resources Institute Seminars, 1959-1960, Problems in the Development and Use of the Natural Resources of Southeastern Ohio*. The Ohio State University, 1960.



Fig. 2.—Study area.

management and technical problems for seven of the more popular types of enterprises commonly provided on rural lands by private capital.

In order to establish a base for this study, the number and kinds of outdoor recreation establishments in 23 southern Ohio counties were determined (Figure 2).

A sample of 31 enterprises was selected from the inventory on the basis of consultation with the county agricultural agent or on the basis of personal knowledge. These firms are thought to be above average in earnings and length of time in business. Five pay lakes, seven vacation farms, four privately owned camping areas, four privately owned picnic facilities, three organized summer camps, four riding stables, and four shooting preserves were investigated. These types fit the definition of outdoor recreation which can be provided on farm lands by private capital. Some of the firms interviewed were from outside the 23 county area because of the difficulty in finding good examples of certain enterprises in the study area and for the sake of convenience. Respondents were contacted by personal interview during the fall of 1962. The financial data are for the calendar year 1961.

KINDS OF RECREATION ENTERPRISES IN AREA

An attempt was made to determine the number of recreation establishments by kind for the 23 county study area. Of the 232-firm inventory, 211 firms were reported by county agents and 21 firms were listed from other sources. This indicates that the inventory furnished by county agents was about 10 percent low. Total number of firms

is 250 or more. Seventeen firm names submitted by county agents were omitted from the listing because the firms were considered of a type not adapted to farm conditions.

Firms are listed by what was considered to be their primary source of recreational income. Twenty-six secondary or incidental enterprises were listed by 21 of the firms. Only one firm had as many as four enterprises. Boat rental was listed in 14 instances as secondary or incidental and private lake and beach was listed as incidental in six instances. Since secondary enterprises which had not been reported were discovered at three firms during later visits, it may be assumed that there are other secondary enterprises which were not reported.

Secondary uses listed are as follows:

Private campgrounds	3 instances
Riding stables	2 instances
Boat rentals	14 instances
Boat docking	1 instance
Private lake or beach	6 instances

Table 2 shows the inventoried numbers of recreational enterprises by type of primary enterprise and by county. Also shown are marginal totals and adjusted totals which account for the 10 percent deficit mentioned above. Cell totals were not adjusted, and no adjustment was made for vacation farms or shooting preserves because complete lists were available for these types.

Pay lakes are the most numerous type inventoried, accounting for about 28 percent of all firms. All but five counties have pay lakes. Lawrence and Scioto counties in the extreme southern part of Ohio have about 30 percent of all pay lakes. These are concentrated along the Ohio River in the vicinity of Portsmouth; Ironton; Ashland, Kentucky; and Huntington, West Virginia. The wide distribution and large number of pay lakes attests to their popularity. Concentration in Lawrence and Scioto counties is probably because the Ohio River has become somewhat unattractive for fishing due to pollution. Perhaps a great many river fisherman turned to the pay lakes when the river became unsuitable.

In addition to the 64 pay lakes, there are two trout fishing developments which are a highly specialized type of put and take fishing, frequently operated on a club membership basis.

Vacation farms are next most numerous, accounting for 21 percent of all firms listed. Seven widely scattered counties have vacation

TABLE 2.—Number of Outdoor Recreation Firms in Southeastern Ohio,
By Primary Enterprise and By County, 1962¹.

	Adams	Athens	Belmont	Brown	Fairfield	Gallia	Guemsey	Highland	Hocking	Jackson	Lawrence	Meigs	Monroe	Morgan	Muskingum	Noble	Perry	Pickaway	Pike	Ross	Scioto	Vinton	Washington	Total	Adj. Total
1. Privately owned fish ponds and lakes	4	3	4	3	2		2		1	4	13	2	2			1	1	4	2	6	6	4		64	72
2. Vacation farms and dude ranches			5	5			9				7		16			7							1	50	50
3. Private campgrounds					1			3						1									2	7	8
4. Private picnic areas (fee)									2												2		1	5	6
5. Public campgrounds		2					1	1		1	1	1		1	2	1			2	1		2		16	18
6. Shooting preserves			1	1	1															1				4	4
7. Organized summer camps (private)									2	1														3	3
8. Organized summer camps (special groups)			1		2	3	1	2	8	3				1	3	2	2	1			2	2	1	34	38
9. Resorts				1															1				2	4	4
10. Riding stables			1				1		1			1				1				1				6	7
11. Trout fishing															1				1					2	2
12. Caves								1											1					2	2
13. Boat rentals		2		1			1		1			1			1		2		2				2	12	13
14. Boat dock			2			3								1	3		1				1		1	13	15
15. Private lake and beach	4	1			1	1						1			2									10	11
TOTAL	8	9	13	10	8	7	15	7	15	9	21	6	18	4	12	12	6	5	9	9	11	8	10	232	
ADJUSTED TOTAL ²	9	10	14	11	9	8	17	8	16	10	22	6	19	4	13	13	7	5	10	10	12	9	11		253

¹Primary source of data—County Agricultural Agents in each of the 23 counties in the study area.

²Totals by county and by type of enterprise were adjusted to account for estimated errors in the inventory.

farms. Seventy-four percent of the farms are in four counties, Guernsey, Belmont, Monroe, and Noble, in the eastern part of the state. Six of the seven counties with vacation farms have formed associations and five of these county associations have combined to offer a very practical and apparently effective means of advertising, and also an approach to the solution of common problems.

Interested farmers in other counties are in the process of establishing vacation farms and organizing into associations.

Most of the vacation farms listed have been in existence as vacation farms for a relatively short time. The fact that most of them are located in the eastern part of Ohio indicates that proximity to eastern cities is of some advantage in attracting guests.

There are 37 organized summer camps in the inventory. These account for 16 percent of all enterprises. Only three of these camps are operated for individuals on a fee basis. The other 34 camps are run by or for organized groups such as 4-H Clubs, Boy and Girl Scouts, YMCA and YWCA. Fifteen of the 23 counties have one or more organized camps and 43 percent of all organized camps are located in Hocking, Vinton and Jackson counties in the south-central part of the state. This concentration may be partially explained by (a) proximity to Columbus, (b) favorable terrain (rugged, wooded) and (c) low capital requirements for land acquisition.

The 25 boat rental and docking firms account for about 11 percent of all recreational firms. In addition to these 25 firms which list boat rental or docking as their primary enterprise, boat docking accounts for over 50 percent of all secondary enterprises mentioned previously. In other words, 25 firms list boat rental and/or docking as the primary enterprise and 15 others list boat rental and/or docking as a secondary or incidental enterprise.

Thirteen of the 23 counties have boat rental and/or docking services and there is no noticeable geographic pattern to their distribution.

Campgrounds, 16 of which are publicly owned and operated, and 7 of which are privately owned account for 10 percent of all firms. These 23 firms are located in 14 counties.

Five privately owned picnic areas and 10 privately owned lake and beach operations account for 6 percent of all enterprises. Again these enterprises fall into no discernable geographic pattern.

The types of firms thus far discussed account for 93 percent of all firms. The remaining 7 percent are as follows: 4 shooting preserves, 4 resorts, 6 riding stables, and 2 caverns operated as tourist attractions.

INPUTS AND RETURNS BY TYPES OF ENTERPRISES

Descriptions

Pay Lakes are operated on a put and take basis, that is, the lake is stocked with fish large enough to be caught and kept. Catfish, bass, and bluegills are the most popular, but other species such as walleye, perch, and crappie are also stocked in some lakes. Trout require colder water and are usually kept in a separate lake or stream because of their higher cost and also the higher fees charged.

Most pay lake operators sell bait, tackle, and refreshments. Many have picnic areas around the lakes and one respondent has an area which is sometimes used for tent camping. Benches and sometimes shelters are provided near the edge of the water for the convenience of the fishermen.

With improvements, many farm ponds that are sufficiently large will serve nicely for pay lakes. Additional facilities needed may include: concession stand, shelters, fencing, lights, bait tanks, parking areas, and picnic facilities.

All five pay lakes in this study were established by present management. Only one is operated in connection with a farming operation, although three are located in rural areas.

Vacation Farms are usually family farms which provide vacation opportunities to people desiring to share in the rural way of life. In most cases, the guests have a room in the farm home and take their meals with the farm family. Some of the more popular activities of farm vacationers are fishing, hunting, horseback riding, hiking, swimming, boating, and helping with the farm chores. Most hosts plan picnics, hayrides, sightseeing tours, wiener roasts, square dances, or other activities for their guests.

Very few, if any, additional facilities are needed to start a vacation farm enterprise. Perhaps some new curtains or furniture for the spare bedroom will be needed, but most farms will require practically no additional capital outlays.

All vacation farms in this study were established on farms by the present management.

Shooting Preserves provide hunting of such game birds as pheasant, quail, chukar partridge, and ducks. The game is pen raised and stocked shortly before the sportsman enters the field. Sale of ammunition, refreshments, and meals are common on shooting preserves and bird cleaning service is usually provided. Shots and birds are usually guaranteed.

Some operators propagate their own game birds while others obtain mature birds from specialized game farms. Ducks, however, must be kept on the premises from the time they are very young because they must be conditioned to fly a specified route during the shooting season.

Facilities and equipment essential or helpful to shooting preserves include pens and shelters for propagating and holding birds, well trained bird dogs, kennels, shooting areas with proper cover and food crops, pond and tower for duck flights, facilities for cleaning and dressing game and incubators for hatching game bird eggs. Much of the material necessary for construction of these facilities is already available on crop or livestock farms, but a good deal of labor and capital is required to set up a successful shooting preserve.

All the shooting preserves in this study were established on existing farms. All preserves but one are operated by farmers.

Riding Stables are operated to provide horses and riding areas or trails to individuals and groups. Some are operated on a club membership basis but all stables in this study are open to the general public. Saddles and bridles are furnished, riding lessons sometimes given, and guides may be furnished for groups on trail rides. Two of the riding stables in this study were operated in connection with a vacation farm. Two others had ponies maintained expressly for children's pony rides either at fairs and on the premises.

Four of the stables are operated in connection with farming and all are in rural areas. All were established by present management.

Organized Camps provide supervised camping activities, usually for young people, as differentiated from tent camping areas in parks and on private lands which merely provide camp sites and perhaps utilities and sanitary facilities. Most organized camps in southern Ohio are operated by non-profit organizations. One camp in this study is run by an individual for profit; the other two are run by non-profit civic organizations.

Dormitory, dining, swimming, and medical facilities are usually required for organized camping. Camp counselors and other supervisory personnel as well as cooks and nurses are needed. Camping equipment, and natural areas for outdoor camping, hiking, and nature study are important. In most camps, the physical plant is quite large and requires a sizeable investment.

Operators of two camps are hired professional managers, and the owner-operator of the other camp has had considerable experience. None of the operators are farmers, although the camps are located in scenic rural areas of southern Ohio.

Privately Owned Picnic Areas usually provide tables, shelters, barbecues, and a pleasant outdoor location for picnicking. This type of enterprise is used for family picnics, church and company picnics and parties, and by fraternal and civic groups for outings on various occasions.

Picnic areas are frequently operated in connection with other recreational enterprises such as swimming pools, pay lakes, or playgrounds.

Two of the three picnic operations were established by present management. All are in rural areas but only one is part of a farming operation.

Private Camping Areas for tents or trailers are usually operated in conjunction with another enterprise such as cabin rental or water recreation. They are often located in scenic areas which attract large numbers of outdoor recreationists. Parking areas, sanitary facilities, water, electricity, and firewood are sometimes provided, occasionally for a separate fee. Camping supplies, groceries, and refreshments are usually available within a short distance.

All four camping areas in this study are near large bodies of water. Almost 100 percent of the campers at one enterprise consist of overflow from a nearby state park or of pet-owners whose pets are not allowed in the state camping area.

None of the camping areas in this study are operated by farmers. However, campgrounds would be a good supplemental operation to farming in many areas. Three of the four camping areas in this study were established by the present management.

Financial Data

Financial data for each type of enterprise is summarized on the following pages. These data present averages and ranges for 1961 on capital investment, income, and expenses. Breakdowns for expenses were not obtained for two firms. In cases where a firm had two or more enterprises and did not keep separate accounts, expenses were allocated according to gross income or by consultation with the operator. No depreciation is shown for any of the seven kinds of enterprises. A 15-year schedule on buildings and operating equipment might be reasonable if one wished to add depreciation to expenses. Interest on investment was charged at 4½ percent which was considered a reasonable return for money invested in this area.

In many cases, the extremes in ranges illustrate the problems involved in depicting an "average" or "typical" firm,

Pay Fishing Lakes. Average sale value of land as determined by this study is almost \$2000 per acre. Most of the land was acquired at a lower price, but is near enough to population centers that sale value has increased considerably since purchase. Operators spent about \$200 per acre for land improvements such as drainage, roads, and terracing (not including cost of lakes).

Average value of lake and buildings is slightly under \$4000. A part of this cost was covered by cost-sharing payments obtained by some operators for conservation practices in building lakes; it does not include payment for family labor nor does it include costs for any buildings more than ten years old.

Almost 40 percent of gross income to pay-lake operators is from retail sales, the remainder from fishing fees. Comparison of returns with expenses indicates that retail sales of bait, tackle, food, and refreshments yielded a greater margin than fishing.

The largest expense item is for purchase of fish, listed in the miscellaneous category. Pay-lake operators pay an average of about

Investment, Income and Expenses for Five Pay-Lakes

	Average	Range
Capital Investment - Total	\$13,776	\$7,600 - \$29,105
Land - (sale value) 3.8 acres	7,500	200 - 18,500
Land Improvement (cost)	870	150 - 1,750
Buildings and Lakes (cost)	3,946	1,000 - 7,580
Operating Equipment (cost)	554	0 - 1,135
Merchandise Inventory (cost)	906	0 - 1,950
Income - Total	3,718	1,250 - 7,000
Returns from Fishing	2,238	786 - 4,228
Retail Sales	1,480	250 - 3,800
Expenses - Total	2,701	868 - 5,049
Advertising	49	0 - 150
Utilities	64	40 - 115
Supplies and Merchandise	697	150 - 1,300
Repairs	70	0 - 300
Taxes	32	0 - 62
Insurance	23	0 - 60
Labor	236	0 - 1,050
Miscellaneous (includes cost of fish)	1,530	0 - 1,050
Net Cash Income	1,017	163 - 2,087
Interest on Investment @ 4½ %	620	342 - 1,310
Returns to Family Labor and Management	397	—179 to 1,301

45 cents per pound for live fish. It is estimated that the average amount of fish used was about 3000 pounds, or slightly over 1½ pounds per patron day including death loss.

Three of the five pay-fishing lakes showed an average return to family labor and management of \$765 while two showed a net average loss of \$156. Overall average, as shown in the budget, is \$397 for family labor and management.

Vacation Farms. Capital investment for vacation farms includes only that added to the farm in establishing the vacation farm enterprise. Land, land improvements, buildings, and operating equipment were parts of farming enterprises.

All income was from guest fees, an average of about \$4.47 per patron day.

Largest expense item was for supplies, including food served to guests. According to these averages, actual cost of food served amounted to less than \$1.50 per day per guest. Much of the food was home grown and therefore less expensive than similar food bought at retail or wholesale prices.

Five of the seven vacation farms showed an average net cash return of \$471. The other two showed an average loss of \$6.50.

Income and Expenses for Seven Vacation Farms

	Average	Range
Capital Investment - Total	\$206*	\$ 0 - 960
Income - Total	757	42 - 2,650
Expenses - Total	413	54 - 1,325
Advertising	30	10 - 113
Utilities	22	12 - 60
Supplies (includes cost of food)	246	50 - 800
Repairs	22	0 - 100
Insurance	31	10 - 50
Labor	6	0 - 32
Miscellaneous	56	0 - 212
Net Cash Income	344	—12 to 1,325

*Average for all seven farms although three farms reported no special investment
Includes only the investment added to the farm to establish a vacation farm

Shooting Preserves. Average land value for the shooting preserves in this study is about \$246 per acre, very close to the agricultural value. Land accounts for over 95 percent of total investment, However, this

land is utilized to some extent for cropping and grazing on some of the preserves.

Cost of buildings, including holding and rearing pens, kennels, and clubhouse would probably be higher except for the fact that many of these facilities were built with material already in use on the farm or are conversions of buildings more than ten years old.

Operating equipment includes such items as dogs, bird watering and feeding devices, farm implements, incubators, and brooders.

Retail sales, which make up only about 3 percent of total income, are from sales of ammunition and meals to hunters. Sale of game birds to restaurants is included in the enterprise returns category. Income from dog training and boarding was reported by only one firm and this income amounted to 25 percent of total returns for this firm.

The miscellaneous expense category includes cost of birds purchased and cost of eggs and feed for birds raised. On the average, cost of birds amounts to about 80 percent of total expenses.

Investment, Income and Expenses for Four Shooting Preserves

	Average	Range
Capital Investment - Total	\$83,150	\$36,050 - \$152,850
Land (sale value) 325.5 acres	80,188	34,500 - 146,250
Buildings (cost)	1,625	1,500 - 5,000
Operating Equipment (cost)	1,150	1,600 - 3,000
Merchandise Inventory (cost)	187	0 - 700
Income - Total	11,935	2,500 - 20,010
Enterprise Returns	10,309	2,500 - 18,557
Retail Sales	376	50 - 1,453
Dog Training and Boarding	1,250	0 - 5,000
Expenses - Total*	9,261	4,953 - 15,460
Advertising	360	100 - 750
Utilities	208	75 - 448
Supplies	309	140 - 500
Taxes and License	345	150 - 818
Repairs	345	0 - 1,036
Insurance	151	50 - 349
Labor	778	105 - 1,752
Miscellaneous (includes cost of birds)	7,671	3,665 - 11,504
Net Cash Income	2,674	—3,400 to 9,270
Interest on Investment @ 4½ %	3,742	1,622 - 6,878
Returns to Family Labor and Management	—1,068	—7,585 to 2,392

*Total is average for 4 firms, breakdown for 3; therefore, breakdown does not add to total.

It is estimated that 15 to 25 percent of the birds stocked were not recovered, which amounts to a loss of income of \$1500 to \$2500. This indicates that the ability to maximize the recovery rate is a very important management skill.

Operators of enterprises studied stocked fewer than 4500 upland game birds, on the average. Since these firms showed an average net loss this indicates that a profitable level of operation would require at least 5000 birds, perhaps more.

The two profitable shooting preserves in this study showed average net returns to family labor and management of \$2330. The other two showed an average loss of \$4665. The preserve with the greatest loss (over \$7500) had been in operation less than three years at the time data were obtained.

Organized Camps. The financial data for organized camps include three firms. The two larger camps which are operated by non-profit organizations showed a net loss. Two of the camps offer fairly complete services while the largest, in terms of land area and number of patron days, provides camping equipment and facilities in lieu of food service and dormitory housing. Only one of the three camps provided full-time counselors as part of its regular services.

Average land value of organized camps is about \$52 per acre. The low land value is due to location in rough, hilly, cutover, areas. However, such areas are ideally suited for organized camps. Value of land is about 51 percent of total capital investment, with buildings accounting for 29 percent. Merchandise inventory includes average value of foodstuffs and craft supplies as well as items for sale at retail.

Total income indicates an average charge of 90 cents per day per customer. A charge of \$3.00 would have provided sufficient income to meet expenses and allow for interest on investment. Retail sales consist of drinks, candy, and souvenirs, and are a very minor source of income.

Wages account for about half of total expenses. These would be even greater if all three camps had provided counseling service. Supplies would amount to a greater proportion of total expenses except that one camp did not provide food service.

The only camp in this study which was privately owned and run for profit had a return to family labor and management of more than \$1800 in a 12-week period. Losses of the other two were covered by donations and public subscription.

Investment, Income and Expenses for Three Organized Camps

	Average	Range
Capital Investment - Total	\$49,828	\$26,250 - \$66,534
Land (sale value) 496 acres	25,583	5,000 - 45,500
Land Improvement (cost)	3,494	2,100 - 4,382
Buildings (cost)	14,443	12,328 - 16,000
Operating Equipment (cost)	3,191	1,324 - 6,250
Merchandise Inventory (cost)	3,117	250 - 6,100
Income - Total	4,726	2,879 - 6,300
Enterprise Returns	4,626	2,879 - 6,000
Retail Sales*	100	0 - 300
Expenses - Total	12,598	3,270 - 23,000
Advertising	33	0 - 100
Utilities	558	310 - 865
Supplies	3,200	475 - 7,124
Repairs	399	5 - 992
Taxes and Licenses	53	35 - 123
Insurance	151	129 - 200
Labor	6,349	800 - 9,300
Miscellaneous	1,855	975 - 4,590
Net Cash Income	—7,872	—18,000 to 3,030
Interest on Investment @ $4\frac{1}{2}\%$	2,242	1,181 - 2,994
Returns to Family Labor and Management	—10,114	—20,551 to 1,849

*Only one camp reported retail sales.

Campgrounds. Land values of campgrounds are about \$831 per acre and account for almost 75 percent of total capital investment. Three of the four campgrounds were located on large lakes which are used very extensively for fishing, boating, and swimming. The other was a completely undeveloped tract of land farther away from a lake where land values were considerably lower. Average cost of land improvements such as drainage, fill, and construction of trailer spaces was about \$56 per acre.

All income reported here is from rental of campsites and trailer spaces. However, three of the firms had other income sources. These included boat rental and docking, sale of groceries, camping supplies, bait, tackle, gasoline, oil, refreshments, cabin rental, and boat and motor repair. Since separate accounts were not kept for all enterprises, retail sales were not included. In some cases, retail sales grossed more than campsite rental.

Investment, Income and Expenses for Four Campgrounds

	Average	Range
Capital Investment - Total	\$11,011	\$2,740 - \$20,324
Land (sale value) 9¾ acres	8,100	2,700 - 15,000
Land Improvement (cost)	546	0 - 1,225
Buildings (cost)	1,500	0 - 4,000
Operating Equipment (cost)	315	0 - 1,099
Merchandise Inventory	550	0 - 1,200
Income - Total	1,408	150 - 2,300
Expenses - Total*	269	0 - 405
Advertising	9	
Utilities	37	0 - 58
Supplies	37	0 - 80
Repairs	43	0 - 74
Taxes	40	0 - 72
Insurance	39	0 - 70
Miscellaneous	37	0 - 92
Net Cash Income	1,139	150 - 7,590
Interest on Investment @ 4½ %	495	472 - 1,723
Returns to Family Labor and Management	644	—1,067 to 1,477

*Total average expenses are for all firms; breakdown is for 3. Breakdown does not add to total. One operator had no cash expenses (family labor was all that was required).

One campground operator was unable to provide a breakdown of expenses and one had no cash expenses. As a result, the breakdown of expenses does not present an average of total expenses.

Three of the four campgrounds provided average returns to family labor and management of \$892. One showed a net loss of \$107.

Riding Stables. Although six riding stable enterprises were visited, this budget is constructed from data for only four. The two not included were in conjunction with other enterprises and data was not available in complete detail. Of these latter two operations, one was profitable and the other broke even.

One of the four enterprises included in the financial statement had ponies only. Another had both ponies and horses. The ponies are used for "kiddie" rides on the premises and at fairs. Two firms offered hayrides for group outings.

Land for riding stables, valued at \$181 per acre, amounts to 82 percent of average total capital investment. The next largest item of capital investment is operating equipment which includes horses valued

Investment, Income and Expenses for Four Riding Stables

	Average	Range
Capital Investment - Total	\$24,025	\$16,250 - \$35,700
Land (sale value) 105 acres	19,050	6,700 - 30,000
Land Improvement (cost)	250	0 - 1,000
Buildings (cost)	1,625	0 - 6,500
Operation Equipment (including horses)	3,100	700 - 5,700
Income - Total	2,000	650 - 4,000
Enterprise Returns	2,000	650 - 4,000
Expenses - Total	2,585	464 - 6,200
Advertising	23	0 - , 50
Utilities	207	20 - 400
Suppliers	147	0 - 300
Repairs	251	50 - 686
Taxes	65	21 - 161
Insurance	297	50 - 600
Labor	768	0 - 3,000
Miscellaneous (includes feed)	830	318 - 1,700
Net Cash Income	—585	—2,200 to 13
Interest on Investment @ 4 1/2 %	1,081	731 - 1,607
Returns to Family Labor and Management	—1,666	—3,807 to —614

at roughly \$150 per head. Investment in buildings (primarily stables and tackrooms) is relatively low because they are converted farm buildings or are over ten years old.

Only the income from riding fees (including hayrides) is reported although one firm had a fairly large saddle and supply sale business, and at least three firms sold horses or colts.

The miscellaneous expense category, which includes feed, veterinary and farriers services, is largest. Next is labor, of which 96 percent of the total is reported by one firm. Labor expenses as shown in the budget are probably high, because part of the amount reported was actually wages for farm labor.

All four riding stables operated at a loss. However, sale of colts and horses (part of farming operation) and profit on retail sales probably make up the difference, because all firms have been in business more than four years. They average almost twelve years in business.

Capital Investment, Income and Expenses for Three Picnic Areas

	Average	Range
Capital Investment - Total	\$35,716	\$4,000 - \$83,150
Land (sale value) 32 acres	34,283	2,850 - 80,000
Land Improvement (cost)	383	0 - 1,150
Buildings (cost)	67	0 - 200
Operating Equipment (cost)	983	0 - 2,950
Income - Total	823	200 - 1,468
Enterprise Returns	656	200 - 968
Retail Sales	167	0 - 500
Expenses - Total	327	8 - 857
Advertising	4	0 - 12
Utilities	48	0 - 130
Supplies	138	0 - 417
Repairs	40	0 - 100
Taxes	73	8 - 200
Miscellaneous	24	0 - 72
Net Cash Income	496	85 - 792
Interest on Investment @ 4½ %	1,607	180 - 3,742
Returns to Family Labor and Management	—1,111	—3,133 to 612

Picnic Areas. Only three of the four picnic areas in the study are used in the financial statement because one operator was unwilling to furnish a complete report of capital investment and expenses.

Land, at \$1071 per acre, amounts to about 96 percent of total capital investment. Two of the picnic areas are located on highways; one near a large city and the other only a few miles from a town of about 7,000. Land value of the largest picnic area has, according to the owner's estimate, increased 379 percent over purchase price in the past 17 years.

Retail sales amount to about 20 percent of total income although only one firm had retail sales. About one-third of this firm's receipts was from retail sales at the picnic area. Enterprise returns in this study are primarily from groups rather than from individual or family admissions.

Largest expense items are for supplies, or cost of items sold at retail, and taxes.

Interest on capital investment was, on the average, almost five times greater than expenses.

One firm showed a net return to family labor and management. None showed a net loss before deduction of interest charges.

COMPARATIVE ANALYSIS OF RECREATION ENTERPRISES

Seven types of outdoor recreation enterprises were portrayed by descriptions and financial statements. Additional data in this chapter are presented in topical and tabular arrangements which facilitate comparisons among types.

Location

Distances to markets, suppliers spatial relationships with competition and with complimentary firms, and geographical considerations such as climate and topographic features are important to most businesses. Since this is especially true of recreation, data are provided in Table 3 which summarize locational aspects of the enterprises in the study and illustrates their possible effect on the success of the enterprise.

Pay-lakes, shooting preserves, riding stables, and privately owned picnic areas are usually located closer to population centers than are vacation farms, private camping areas, and organized camps. This is to be expected because pay-lake fishing, horseback riding, bird hunting, and picnicking are usually rather short-term experiences which last only one day or less. Vacationing on a farm, tent, or trailer camping and summer camp activities are longer term experiences lasting from overnight to several weeks. For these, recreationists are accustomed to traveling somewhat farther than for shorter-term out-door experiences.

All enterprises except organized camps averaged less than one-half mile from the nearest surfaced road. Many were located on surfaced roads or highways. Organized camps, which require a considerable amount of land, averaged only one and one-quarter miles from the nearest paved road.

Note that "least successful" firms are generally located farther from population centers than "most successful" firms.

Organization Structure and Type of Management

Table 4 shows how the various enterprises are owned and managed. Sole proprietorships are most common except on game preserves and organized camps which require more capital and labor than the other enterprises. Partnerships and corporations offer a more convenient method of accumulating larger amounts of capital, labor, and sometimes land under a single management. Non-profit organizations also have this advantage.

Owner-operators are the most common type of management except where specialized management is required in organized camps.

TABLE 3.—Average Distances of Enterprises from Nearest Cities of Various Sizes and from Other Facilities, from Nearest Surfaced Road By Type of Enterprises and Financial Success.

Enterprise	S/L ¹	Nearest Town or City (miles)	City of 10,000-49,999 (miles)	City of 50,000-99,999 (miles)	City of 100,000 or More (miles)	Surfaced Road (miles)	Nearest Overnight Accommodations (miles)	Nearest Eating Accommodations (miles)
1. Pay lakes	S	2	16	39	67	.16	2.8	2.4
Most successful ²		1.52	8.4	23.2	68.6		4.4	3.6
Least successful		2.9	28.6	57.5	65	.4	1.4	1.4
2. Vacation farms	L	9	18	36	67	.0325		
Most successful ²		9.3	20	36.7	65.4			
Least successful		9.1	14.3	32.5	53	.14		
3. Shooting preserves	S	4	8	30	23	.37	3.3	
Most successful ²		4.06	9.67	39.4	29.7		2.28	0.0
Least successful		2.28	5.7	20.5	17.1	.5	4.57	2.28
4. Private camping	L	6	18	44	60	0.0		.9
5. Riding stables	S	5	8	68	51	0.0	2.6	2.5
6. Private picnic areas	S	5	6	67	44	.19		
7. Organized camp	L	9.5	17.1	80	44.7	1.25		

¹This column indicates whether the enterprise provides a short-term (S) or long-term (L) activity.

²In order to indicate the effects of distance on the success of enterprise, firms were divided into these two categories according to their returns to labor and management.

**TABLE 4.—Number of Enterprises By Organizational Structure and
Type of Management By Type of Enterprise.**

Enterprise	Business Organization			Type of Management		
	Partner- ship	Corpora- tion	Sole Proprietor	Owner- Operator	Manager	Lessee
Pay lakes			5	5		
Vacation farms			7	7		
Private camping			4	4		
Shooting preserves	3		1	4		
Riding stables			4	3		
Private picnic areas			4	4		1
Organized camps		2	1	1	2	

Operator Characteristics

Average age of operators in this study was 50 years, which is one year below the average age of all farm operators in Ohio. The range of averages was from 38 to 60 years. Individual ages are not shown in Table 5, but they ranged from 30 to 75 years.

All enterprises were managed by males except the seven vacation farm enterprises and one organized camp. In all cases, vacation farms were managed by the farm operator's wife although the operator usually assumed certain responsibilities to the guests, such as hayrides and scenic tours.

Aside from two riding stable operators and the three organized camp managers, none of the operators had any previous experience. Stables and organized camps require a high degree of specialized management skills and the average number of years in operation, as shown in Table 14, is much higher than average.

**TABLE 5.—Operator Characteristics: Age, Sex and
Previous Experience By Type of Enterprise.**

Enterprise	Number Reporting	Average Age	Sex		Previous Experience	
			M	F	Yes	No
Pay lakes	5	52	5	0	0	5
Vacation farm	7	43	0	7	0	7
Private camping	4	53	4	0	0	4
Shooting preserves	4	51	4	0	0	4
Riding stables	4	52	6	0	2	4
Picnic areas	4	60	3	0	0	3
Organized camps	3	38	2	1	3	0
TOTAL	31	50.0	24	8	5	27

Decision-Making

Table 6 shows how operators answered the question: "What was the most important factor influencing your decision to go into the recreation business?" Some operators gave two answers to this question although only one was requested. A desire to supplement income was obviously the most important factor, followed by knowledge of similar enterprises which are profitable. Both of these factors have reference to profit and together they account for 57 percent of all reasons given. Although this could not be considered conclusive evidence, it should at least lessen any doubts that profit is of primary importance in the establishment of recreation enterprises.

Other factors mentioned were very diverse and ranged from "like people" to "fulfilling a lifelong ambition." No single other factor was mentioned more than twice.

Governmental Aid and Regulation

Fifteen respondents listed 23 instances in which they received some form of government aid. The government agency involved and type of aid, in the order in which they were most frequently mentioned, are as follows: Soil Conservation Service, engineering, cost sharing, advice; Extension Service, advice and help from county agents, technical bulletins; State Department of Natural Resources, advice from game protectors, help in planting cover crops, help in establishing woodland practices, and cruising timber; State Department of Industrial and Economic Development, printed brochures for vacation farm organization; Agricultural Stabilization and Conservation Service, conversion payments; and State Health Department, advice on proper sanitation facilities.

In answer to the question, "Have government regulations, (federal, state, or local) influenced you in the development of this facility?", eight answered "yes", 19 answered "no" and 3 did not reply.

Some operators stated that liability and health laws had influenced them to adopt certain practices or equipment. However, they felt that these laws were reasonable and necessary for the general welfare. Two operators felt that county health board personnel were too arbitrary.

One of the most common complaints concerned rural zoning regulations. Operators felt that recreation should be taken into account in areas zoned for residence and agriculture as is quite common in rural areas which are near population centers. Recreation facilities already established at the time zoning ordinances were enacted are not allowed to expand and new facilities cannot be built.

**TABLE 6.—Factors Affecting Operators Decision to Provide
Recreational Facilities By Type of Enterprise.**

Factor	Pay Lakes	Vacation Farms	Private Campgrounds	Shooting Preserves	Riding Stables	Private Picnic areas	Organized Camps	Total
Know of similar enterprise	3	4	1	2	0	1	0	11
Encouraged by resource development groups	0	3	0	0	0	1	0	4
Desire to supplement income	2	6	0	3	4	1	1	17
Operator's field of specialization	0	0	0	0	1	0	0	1
Other	1	4	3	3	3	1	1	16
TOTAL	6	17	4	8	8	4	2	49

Some operators felt that agricultural policies regarding acreage control and conservation practices had changed their farming situation to the point where providing recreation became an attractive proposition.

Advertising

Word of mouth was the most usual method of advertising. Following word of mouth in order of frequency of use were newspapers, outdoor signs, direct mail, television, and radio. Outdoor signs were high in order of importance for pay lakes and riding stables. The most important "other" medium listed by respondents was brochures distributed by vacation farm organizations. These and newspaper articles and ads were "most important" for vacation farms while word of mouth was most important for all other types. Match books and telephone book "yellow page" listings were also mentioned as other types of advertising. See Table 7 for methods used by firms in this study.

Vacation farms were the most widely advertised, that is, they were advertised in more media than any other type. Most vacation farm advertising was done through county and state associations. Next came shooting preserves, followed by private camping, pay lakes, riding stables, private picnic areas, and organized camps.

Insurance

All vacation farms, shooting preserves, riding stables, and organized camps carried liability insurance. Three of the four private camping enterprises carried liability insurance. One did not reply to this question. Three of the five pay lakes were insured. None of the privately owned picnic enterprises carried liability insurance.

Annual premiums, based on the average of those replying, are as follows:

Pay lakes	\$ 22.40
Vacation farms	93.00
Private camping	68.00
Shooting preserves	75.00
Riding stables	125.00
Organized camps	127.00

Two of the vacation farms have riding stables which cause a rather high premium. The average for farms without insured horses is about \$44 per year.

Coverage varies, but in most cases the policies covered liability for property damage, bodily injury, or death sustained on premises if

TABLE 7.—Methods of Advertising; Frequency of Use By Type of Enterprise.

Enterprise	None	Newspaper	Radio	TV	Outdoor Signs	Direct Mail	Word of Mouth	Other	Total	Average Number Media Used Per Enterprise
Pay lakes	0	4	1	0	5	1	5	0	16	3.2
Vacation farms	0	7	5	5	4	4	7	7	39	5.6
Private camp	0	1	1	0	3	2	4	3	14	3.5
Shooting preserves	0	3	0	3	3	3	4	3	19	4.8
Riding stables	0	3	0	0	3	0	4	1	11	2.7
Private picnic	0	1	0	0	0	0	2	1	4	1.0
Organized camps	2	0	0	0	0	0	1	0	3	.3
TOTAL	2	19	7	8	18	10	27	15	106	

due to negligence of policy holder. In addition to liability insurance, most operators had coverage for fire, wind, and theft.

**Season and Hours of Operation,
Weekend Usage and Patronage**

With the exception of shooting preserves and riding stables, enterprises in this study received 90 percent or more of their receipts in the period from April through September.

Pay lakes, shooting preserves, and riding stables get most of their receipts from individuals. Vacation farms and private campgrounds cater primarily to families, while the picnic areas and organized camps in this study served organized groups only.

All enterprises in this study except vacation farms and organized camps took in more than 50 percent of their total receipts on Saturdays and Sundays.

Tables 8 and 9 summarize information on season, type of patronage, and percent of weekend receipts. The following discussions give additional information which is not easily presented in tabular form.

Pay Lakes. The general season for pay lakes is from April through September, the peak periods being April, May, and June.

Most pay lakes are open seven days a week although some are open only on weekends. Since many of the expenses and fixed costs for pay lakes are incurred regardless of whether or not the enterprise is open for business, operating seven days a week seems prudent. However, when operating costs such as hired labor are an important factor, remaining closed on weekdays when little business is expected may be more profitable.

Usual hours of operation are from early in the morning (daylight to 7:00 a. m.) until late at night (9:00 p. m. to midnight). These long hours are necessary because of the varying beliefs of fishermen as to when fish bite and because many customers have irregular working hours.

Vacation Farms. Peak season for vacation farms is during the summer months when school is out, especially during July and August. Guests in September, October, November, and December are usually individuals or families without school age children. Only 9 percent of all vacation farm receipts was obtained during October, November, and December. There were no receipts from farms in this study during January, February, and March.

Vacation farms when they have guests operate seven days a week and 24 hours per day.

**TABLE 8.—Percent of Total Recreation Receipts By Quarter and By
Type of Patrons, By Type of Enterprise.**

Type of Enterprise	Percent of Receipts				Total	Type of Patron		
	Quarter (Season of Operation)					Individuals	Families	Organized Groups
	Jan.-Mar.	April-June	July-Sept.	Oct.-Dec.				
Pay lakes	1	64	33	2	100	68	30	2
Vacation farms		7	84	9	100	30	70	
Private campgrounds		25	75		100	33	67	
Shooting preserves	30	8	2	60	100	82	7	11
Riding stables	7	29	41	23	100	63	4	33
Private picnic areas	2	20	70	8	100			100
Organized camps		3	97		100			100
All enterprises *	15	18	37	30	100			

*Average weighted by dollar volume of business

**TABLE 9.—Percent of Receipts on Weekends By Quarter and Percent of
Total Yearly Receipts on Weekends, By Type of Enterprise.**

Type of Enterprise	Percent of Receipts on Weekends				Entire Year
	Quarter				
	January-March	April-June	July-September	October-December	
Pay lakes	69	59	55		64
Vacation farms			29	47	31
Private campgrounds		75	75		75
Shooting preserves	65	80	80	72	71
Riding stables	50	61	50	55	54
Private picnic areas	70	60	73	70	70
Organized camps		29	29		29

Shooting Preserves. The open season for shooting preserves in Ohio is regulated by state law and runs from September 1 through April 30. More than half their receipts are obtained from October through December. No hunting is allowed on Sundays. All preserves in this study were open every week day, usually by appointment.

Shooting preserves allow hunters in the field from 8:00 or 9:00 a.m. until dusk although stocking operations may begin earlier and bird cleaning may continue until after dark.

Private Campgrounds. Three-fourths of all receipts for camping were during July, August, and September, and one-fourth during April, May, and June. Seventy-five percent of receipts were from weekend campers.

All campgrounds in this study were open seven days a week, 24 hours a day during the summer months.

Riding Stables. Receipts from riding stables in this study were more evenly distributed over the entire year than for any other enterprise. The quarter of lowest receipts was January, February, March; months in which the winter weather is quite severe.

Riding stables were normally open seven days per week from about 9:00 a.m. until dark. One stable operated by appointment, and another was open until 10 p.m. Hours of operation were rather flexible in most cases.

Privately Owned Picnic Areas. Primary season for these enterprises is June, July, and August, and 70 percent of all receipts were taken in during the third quarter. Hours of operation are usually 7:00 or 8:00 a.m. until about midnight. Picnic areas are usually open seven days a week although some are open only on weekends.

Organized Summer Camps. Almost all receipts to summer camps accrue during the third quarter, July through September. Only a small amount is taken in during June. Many camp operators are attempting to extend the utility of their facilities by making them available to other groups during the off season. (Most camps have dining halls, cabins, lodges, swimming pools, etc., which could be used more extensively).

Organized summer camps are open seven days a week, 24 hours per day.

Technical and Management Problems

Numerous problems were listed by the thirty operators as being significant in their operations. These problems included weather uncertainty, trespassing, attraction of patrons, trash disposal (broken

glass on picnic grounds), vandalism, inability to get and retain good help, and fire, in that order. Cooking for guests on vacation farms, supervising riders at riding stables, and disorderly campers were also mentioned as problems.

For pay lakes, trespassing was mentioned most frequently, but weather uncertainty was the most serious problem. Acquiring healthy fish as needed is also a problem on pay lakes.

Weather uncertainty was the most frequent and serious problem for vacation farms.

Disposal of trash was the most serious problem at private camping areas.

Weather uncertainty was most serious for shooting preserve operators (who operate during the winter months) and for riding stable operators.

Vandalism was the most frequently mentioned and most serious problem at private picnic grounds, probably because most are near population centers and because they cater to a very heterogeneous group.

Inability to get and retain good help presents a problem to some organized camps because they employ more workers than other enterprises.

Sources of Capital and Plans for Expansion

Total investment of all firms in this study was almost \$800,000. Funds borrowed by operators for purchase or construction of the recreational enterprises amounted to less than 11 percent of total investment. Eleven operators (37 percent of all operators) who had about 44 percent of the total investment had borrowed money. These loans amounted to about 24 percent of total investment for the borrowing firms. See Table 10 for additional information on investment and borrowing.

Of the firms borrowing, picnic areas and pay lakes had the largest equity in their business while the equity of the organized camp using borrowed funds was lowest. For all firms, riding stables and picnic areas held the highest equity position. Campgrounds and vacation farms had lowest equity but the situation for vacation farms is unique in that their total investment is so low as to be almost negligible. The only vacation farm which borrowed for recreation also reported over 65 percent of all capital investment on vacation farms.

Fourteen operators felt that their operations were not large enough, and eleven of these had plans for expansion. According to the estimates

TABLE 10.—Number of Firms Borrowing, Amounts Borrowed, Interest Rates and Equity Position, By Type of Enterprise.

Type of Enterprise	Number Reporting	Average Total Investment	Number Borrowing	Total Amount Borrowed	Average Amount of Loan	Average Interest Rate	Amount Borrowed as Percent of Inventory	
							Borrowing Firms	All Firms
						Percent	Percent	Percent
Pay lakes	5	\$13,776	3	\$ 8,300	\$ 2,766	5.3	16	12
Vacation farms	7	206	1	340	340	5.5	35	24
Shooting preserves	4	83,150	2	37,100	18,550	5.7	26	11
Private campgrounds	4	11,011	2	11,733	5,866	6.0	38	27
Riding stables	4	24,025	1	5,000	5,000	5.5	30	5.2
Picnic areas	3	35,716	1	7,900	7,900	5.0	9.5	7.4
Organized camps	3	49,828	1	15,000	15,000	0.0*	57	10
ALL FIRMS	30	26,657	11	85,373	7,761	5.6**	24	10.7

*Interest-free loan from family or friends.

**Average interest rate when the interest-free loan is not included in calculations. If the \$15,000 interest-free loan is included, average interest rate is 4.6%.

of operators planning expansion, they expected to hire 50 additional workers once their plans materialized. If the 234 firms inventoried in the study area had plans for expansion in proportion to the 30 firms studied, about 390 new jobs would be created.

Nine operators said they would take advantage of loans for recreation if they could be obtained at 4½ percent interest with 30 years to repay.

Capital Requirements

Table 11 presents averages of inventoried capital items by type of enterprise.

No data are shown for vacation farms except average total investment, because almost no investment beyond that already existing on the farm was necessary.

Land is the largest single inventory item for all enterprises, ranging from about 55 percent of total inventory on pay lakes to over 95 percent for shooting preserves, riding stables, and private picnic areas. Buildings and permanent structures are the next largest item followed by operating equipment and land improvement costs. (Dams and dirt moving for pay lakes are listed under buildings and permanent structures rather than land improvement).

Land values are quite high for pay lakes, private picnic areas, and campgrounds. This is understandable for picnic areas and campgrounds because most of those in this study are located near large cities or near large bodies of water around which there is considerable development. Although two pay lakes are located in or near fairly large towns, the land would probably not sell for as much as the \$1974 per acre shown in Table 11. Land value for shooting preserves, organized camps, and riding stables closely approximates market value of the land for agriculture.

Organized camps had most land, followed by shooting preserves and riding stables. Here again land requirements for vacation farms are not shown. A farm vacation enterprise can be established on almost any size farm and on most types of farms.

Total investment was highest for shooting preserves followed by organized camps, private picnic areas, riding stables, pay lakes, campgrounds, and vacation farms.

Labor Requirements

Two different measures of labor requirements are available from this study. Table 12 shows averages and ranges for workers employed during the peak week in business and number of man-work-days used in operating the recreation enterprises for one year.

**TABLE 11.—Average Capital Investment, Acres, Sale Value and Value Per Acre of Land;
Cost of Land Improvement, Buildings, Operating Equipment and
Average Total Investment; By Type of Enterprise**

Type of Enterprise	Number Reporting	Land		Value Per Acre	Land Improvement	Buildings	Operating Equipment	Merchanise	Average Total Capital Investment
		Acres	Value						
Pay lakes	5	3.8	\$ 7,500	\$1,974	\$ 870	\$ 3,946	\$ 554	\$ 906	\$13,776
Vacation farms ¹	7								206
Shooting preserves	4	325	80,188	247		1,625	1,150	187	83,150
Private campgrounds	4	9.75	8,100	831	546	1,500	315	550	11,011
Riding stables	4	105	19,050	181	250	1,625	3,100		24,025
Picnic areas	3	32	34,283	1,071	383	67	983		35,716
Organized camps	3	496	25,583	52	3,494	14,443	3,191	3,117	49,828

¹ Includes only additional investment required to develop recreation enterprise on an existing farm.

**TABLE 12.—Labor Requirements: Averages and Ranges for Workers
Employed At Peak Week of Business and Man-Work-Days Per
Year By Type of Enterprise.**

Type of Enterprise	Workers Employed Peak Week		Man-Work-Days Per Year	
	Average	Range	Average	Range
Pay lakes	2	1-3	313	265-463
Vacation farms	2	1-3	154	21-338
Shooting preserves	5	3-8	316	156-705
Riding stables	3.4	1-7	340	159-455
Picnic areas	2		30	15-39
Organized camps	13.7	8-24		300-3500

No data for private campgrounds are shown because three of the four campgrounds in this study were operated in conjunction with other recreation enterprises. Allocating labor among the various enterprises was not possible. Average man-work-days are not shown for organized camps because of the major differences in these camps mentioned previously. However, it is estimated that a camp with complete facilities and services for 75 young campers requires about 3,000 man-work-days per year.

Organized camps require the most labor, both peak and total, even though they have a relatively short season of operation. Riding stables, shooting preserves, and pay lakes follow in that order in terms of man-work-days of labor required although shooting preserves have the largest peak labor requirement next to organized camps.

Private picnic areas and campgrounds require the least labor of all enterprises, because of their short season and because they require relatively little labor for management and maintenance. It is estimated that labor requirements for the campgrounds in this study are at least as low as for picnic areas.

Fees, Patronage, Returns, Capacity and Years in Operation

Fees charged at pay lakes, vacation farms, shooting preserves, campgrounds, and stables do not vary greatly from those shown in Table 13. Fees charged at picnic areas and organized camps may differ widely according to services offered and other factors. Group rates at picnic areas are largely determined by size of group and facilities used. Fees at organized camps are affected by the "exclusiveness" of the camp as well as facilities and services offered. The non-profit

TABLE 13.—Typical Fees, Number of Patron-Days Attendance, Gross Income and Returns Per Patron-Day; By Type of Enterprise.

Type of Enterprise	Typical Fees	Average Patron Days	Average Gross Income			Returns Per Patron Day
			Fees	Retail Sales, etc.	Total	
Pay lakes	\$1 per pole plus 50¢ per lb. if over 5 lbs. taken	1904	\$ 2,238	\$1,480	\$ 3,718	\$ 1.95
Vacation farms	\$35 week — adults \$25 week — children	169	757		757	4.47
Shooting preserves	\$15 per hunt plus separate fee for extra birds and cleaning	450	10,309	1,626	11,935	26.50
Private campgrounds	\$1.50 per day per campsite	938*	1,408		1,408	1.50*
Riding stables	\$1.50 hour — horses \$1.00 hour — ponies	1059	2,000		2,000	1.89
Picnic areas	25¢ person \$25 group	26 25*	656	167	823	.31*
Organized camps	\$40 per week	5250	4,626	100	4,726	.88

* Estimated

organizations in this study charged extremely low fees or none at all while the one camp run for profit was able to charge relatively low fees because it did not provide camp counselors, lifeguards, or craft instructions. The fee shown in Table 13 is typical for an organized camp which offers relatively complete services and is run for a profit.

Patron-day is used to measure patronage and is defined as the day or part of a day for which patrons pay a fee. For example, one patron day at a vacation farm or organized camp is one 24 hour period while a patron day at a riding stable may be one or two hours or however long the patron wishes to ride that day. Table 13 shows average number of patron days and also returns per patron day which is the amount of money from fees and other charges collected per visitation.

Table 14 shows average capacity at which the enterprises in this study operated during the peak quarter. This information was given by operators in reply to the following questions: "Was this enterprise used to capacity during the peak quarter last year? If no, what percentage of capacity?" Since capacity was not defined, it may be assumed that operators' concepts varied, but the general meaning of capacity operation is full use of existing facilities during the operating season.

Reasonable operating capacity was determined for each enterprise after considering several factors such as actual capacity, the extent to which the enterprise is affected by weather, percent of business done on weekends, and the ability or inability to accept reservations. Gross income at reasonable capacity may be compared with total gross income to illustrate how much additional income could be obtained with existing capital investment and fixed expenses.

Income, Expenses, and Profit

Figures shown in Table 15 are taken from the financial statements to facilitate comparison among enterprises.

Five of the seven types of enterprises showed an average net cash income after expenses. However, only three types, campgrounds, pay lakes, and vacation farms, showed an average return to labor and management after deduction of interest charges. At least one firm in each category, except riding stables, showed worth-while returns to labor and management.

Twenty-three of the thirty recreation firms showed a net cash income after deduction of expenses from gross income, but only thirteen were profitable after deduction of interest charges.

TABLE 14.—Capacity At Which Firms Operated, Reasonable Operating Capacity, Returns At Reasonable Capacity and Years in Operation; By Type of Enterprise.

Type of Enterprise	Actual Operating Capacity, Percent		Reasonable Operating Capacity		Years in Operation	
	Average	Range	Percent	Gross Income	Average	Range
Pay lakes	40	15-70	60	\$ 5,570	5.2	1-13
Vacation farms	86	10-100	90	792	3.1	1-14
Shooting preserves	30	10-100	60	23,870	3.7	2-6
Private campgrounds			50		7.0	2-12
Riding stables	60	40-85	70	2,330	11.0	5-27
Picnic areas	41	25-67	50	1,030	21.0	5-43
Organized camps	100		95		10.7	4-20

TABLE 15.—Gross and Net Income, Expenses, Interest Charges, Returns to Labor and Management and Net Income as Percent of Investment; By Type of Enterprise.

Type of Enterprise	Gross Income	Expenses	Net Cash Income	Interest on Investment 4.5 Percent	Returns to Family Labor and Management	Net Cash Income as Percent of Investment
Pay lakes	\$ 3,718	\$ 2,701	\$ 1,017	\$ 620	\$ 397	7.38
Shooting preserves	11,935	9,261	2,674	3,742	-1,068	3.22
Private campgrounds	1,408	269	1,139	495	644	10.34
Riding stables	2,000	2,585	- 585	1,081	-1,666	-----
Picnic areas	823	327	496	1,607	-1,111	1.39
Organized camps	4,726	12,598	-7,872	2,242	-10,114	-----

Net cash income as percent of investment is shown for all types of enterprises which had net income. The case of vacation farms is very unique since even the modest returns to labor and management exceeded investment.

Complementary Aspects

Fifteen of the recreational firms in this study were operated in conjunction with farming. The purpose of this section is to discuss the details of these farming operations and to compare them with other farms in the state.

Eleven of the 15 farm operators were full owners, two were part owners, and two were tenants. As might be expected, this distribution has a higher percentage of full owners than the tenure distribution of all farm operators in Ohio.

Average size of farms in this study is more than double the average size of all commercial farms in the state in 1959.

Six of the 15 farm operators owed money for the purchase or expansion of their farms. Their average debt of \$18,625, when compared with the estimated sale value of their farms, indicates that they have about 80 percent equity. Four operators had mortgaged their farms in order to establish their recreation enterprises.

On the average, farms in this study had two hired persons, either full or part time. For the entire state in 1959 there was an average of about one hired worker for every five farms (140,366 farms and 29,330 hired workers).

Table 16 gives details of the farming operations by type of recreation enterprise.

Data on gross sales and sale value of farm was obtained within ranges. The number of farms reporting within these specified ranges is given below.

Gross Sales from Farming:

Range	Farms Reporting
Less than \$50	2
\$50 - \$2499	3
\$2500 - \$4999	2
\$5000 - \$9999	3
\$10,000 - \$19,999	4
\$20,000 - \$39,999	0
\$40,000 and over	1
	<hr/>
	15

TABLE 16.—Farms Reporting Tenure, Size of Farm, Debt, and Number of Hired Workers; By Type of Recreation Enterprise.

Type	Farms Reporting	Tenure			Size of Farm		Debt		Number of Hired Workers
		Full Owner	Part Owner	Tenant	Average Acres	Range Acres	For Farming	For Recreation	
Pay lakes	1	1	0	0	43		0	1	1
Vacation farms	7	6	1	0	367	142-749	3	1	16
Shooting preserves	3	2	0	1	697	228-1400	1	1	7
Riding stables	3	1	1	1	257	67-403	2	1	5
Picnic areas	1	1	0	0	240		0	0	3
	15	11	2	2	381		6	4	32

Sale Value of Farm, Including Recreational Facilities:

Range	Farms Reporting
\$0 - 4999	0
5000 - 9999	0
10,000 - 24,999	2
25,000 - 49,999	7
50,000 - 99,999	2
100,000 and over	4
	<hr/>
	15

Although precise averaging of the above data is not possible, it is estimated that gross sales per farm average about \$9,600 and that average value per farm is over \$80,000. The largest farm in the group was estimated by the operator to be worth more than \$450,000.

FACTORS TO CONSIDER IN ESTABLISHMENT OR CHANGES IN ENTERPRISES

The Human Factors

Several elements, other than physical and monetary assets, contribute to the success or failure of a recreation enterprise. Of great importance is the human factor including the operator's personal likes and dislikes, his management ability, and his attitude toward his customers. For example, a vacation farm operator who did not have a genuine interest in people would be a poor host and not likely to succeed. A shooting preserve operator must have developed considerable management ability as well as technical knowledge because of his control over large amounts of capital and labor, and his dealings with a large number of sportsmen. A person who does not like to fish might be at a disadvantage in operating a pay lake. These human factors must be taken into consideration, and usually an operator or prospective operator knows enough about himself to make sound judgments in light of these human factors.

Local Community and Socio-Economic Features

Many socio-economic features of a local community can have a direct bearing on recreational enterprises. Features such as the relative proportion of the population with a strong rural or agricultural background, the average income level, primary occupations, age group stratification, and growth patterns can strongly influence the demand for recreation. They should be taken into consideration when planning the establishment of recreational facilities. Although there is no known formula for determining the demand for outdoor recreation, some of

the effects of certain socio-economic characteristics on demand are presented below.

A belief that spare time should be used constructively or for rest is very common in our society; indeed, it is one of the major reasons for rapid growth and development of this country. This principle, called the "protestant ethic" or "work ethic" by some writers, is more noticeable in rural areas than in urban areas and among older people more than within younger age groups.⁵ The Commission reports pointed out that different age groups tend to prefer different outdoor pursuits.⁶ These facts make a knowledge of the age structure valuable to providers of outdoor recreation.

Income levels and occupations have an effect on participation in that they have much to do with the leisure time and money available for recreation.

The growth pattern of communities around which recreational enterprises are established is of primary importance. Will the population increase to provide more users or is there little likelihood of community growth during the next few years? If the community grows, in what direction will it expand? In the course of answering the question as to number of customers to plan for an operator will need to know the numbers of people near enough to be attracted. In order to determine about how many of these will patronize his establishment, he must use all the information available, including the socio-economic factors mentioned above.

Competitive Forces

Other factors which must be considered are competitive forces. These may be public or private. They may already be established or may develop at some future date.

In this country, as in most advanced societies, the public has provided many types of outdoor recreation facilities through the use of taxes. These are often free to users or at least available for a nominal charge. In this way, our outdoor heritage becomes available to the general public much the same as education is made available. However, the purpose of our public parks, wildlife areas, and other recreation facilities is not to compete with private enterprise. Furthermore, some areas of the United States do not have sufficient public facilities to meet existing demand. Certain types of recreation are seldom provided by the public sector in any area but where public recreation facilities do exist, they can be competitive with private enterprise.

⁵See: Burge, Rabel J., Sitterley, J. H., and F. S. So, "Outdoor Recreation Research", a report prepared for the Natural Resources Institute of The Ohio State University, 1962.

⁶See: "Outdoor Recreation for America", a report to the President and Congress by the ORRRC, January 1962, Appendix Table 5.

Few people would pay a fee to picnic or swim at a privately owned enterprise when they could obtain similar facilities free at a nearby public park. Even so, public recreational facilities can be of help to private concerns by providing attractions which bring more people to the area. For instance, there are some privately owned campgrounds near state parks which enjoy success. One pay lake operator reports that his business improved considerably after a public recreation area was established nearby. Federal, state, county, and municipal facilities can be competitors or they can augment private recreational business; in either case, their existence is of considerable importance to private recreation enterprise.

The major competitive factor is from other non-public facilities, both individual and corporate. These are likely to be of more concern to operators because they are intentionally competitive. A thorough knowledge of competition is important in the field of recreation, as in most other business fields. Careful planning is required to avoid investing in an area which will not support two or more similar enterprises. Here again it might be possible for one private enterprise to augment another of a different type.

Recreation and the Farm Business

A great number of farms are not suited to recreational development because of poor location, insufficient resources, operator preferences and abilities, competition, and other factors. However, for the many farms which do have potential for recreational development, there is the very important consideration of how the proposed recreational development will affect the farming operation. Many questions of this type arise. How much land and other physical resources will be needed and how will this affect agricultural output? How much time and labor will the operator and his family have to devote to the recreational enterprise and will they be able to continue their normal farming operation? Will capital needed for recreational development preclude needed farm expansion or modernization? If part-time farming is anticipated, will recreation provide the necessary supplemental income? These questions and many more must receive due consideration.

Problems and Limitations

Operators encountered many problems, some of which were mentioned frequently enough to warrant further discussion. The following paragraphs suggest methods of coping with these problems which have been helpful to other operators.

To date, man has been able to do very little to control or alter the weather. Most important to recreation providers is to recognize weather as a problem and plan the enterprise accordingly. Knowing from experience or from weather station data approximately how many rainy days occur during a given month, an operator can estimate the number of days of inclement weather in each season which will discourage patrons, and then plan his operation accordingly.

Trespassing can be discouraged or prevented by fencing, lighting, and posting. Local police officers should be able to help in most cases. Sometimes closer supervision will be necessary. Trespassing is not too serious a problem if it is not coupled with vandalism, although income loss due to trespassing may in some cases warrant measures such as those mentioned above.

Attraction of patrons is of major concern to most businesses, and to recreation enterprises in particular. The ability to attract patrons is affected by such things as location of enterprise, quality of service provided, accessibility, effectiveness and amount of advertising, ability of management to please customers, attractiveness of premises, and numerous other factors. Attraction of patrons should be very carefully considered before an enterprise is established. Whenever this is a problem at established enterprises, an operator needs to determine why the patrons do not come in sufficient numbers and explore possibilities for attracting more of them. Perhaps there is need for more advertising or perhaps other advertising media would be more effective. Remodeling the premises to make them more attractive or adding other facilities may remedy a slack business situation. There are alternative possibilities which may help, but most are costly and should be carefully planned before being carried out.

Trash disposal is a problem at picnic grounds and camping areas in particular. One operator of a combination picnic-camping area observed that campers are generally much neater than picnickers. Proper facilities for trash disposal such as conveniently located incinerators and trash cans are absolutely necessary. Signs showing the location of trash disposal facilities and encouraging their use are very helpful. Incinerators must be kept clean, trash cans must be dumped, and the grounds must be policed for neat appearance. This is an integral part of operating and requires a certain amount of labor which should be considered when planning such an enterprise. When broken glass is a problem at picnic grounds, either the parties responsible for such breakage should not be allowed to come back or fees should be high enough to pay for the extra clean-up operation.

Vandalism is sometimes a problem of controlling trespassing. However, if it is perpetrated by patrons during business hours, closer supervision will probably be required. Some picnic areas employ one person to watch for troublemakers. When this person wears a uniform and has special police authority from the local or county law-enforcement body, his presence is usually sufficient to discourage most would-be vandals and troublemakers. One other important factor is for the owner or manager to be liked and respected by his patrons. This can be attained by proper public relations and a genuine interest in one's customers.

Inability to get and retain good help is usually a serious problem only with the larger firms. This is especially true if the need for labor is seasonal, irregular, or of short duration. Qualified summer help for organized camps and other summer recreation firms can sometimes be obtained through college and university personnel offices and placement centers. Other sources of seasonal help are the secondary labor force (housewives, and family members not considered to be the bread-winners) and people who are willing to work during their own vacations. Contact with these people can be made through state and private employment agencies or by word of mouth.

Solving fire problems is mainly a matter of eliminating all possible hazards, providing firefighting equipment, vigilance, discouraging carelessness by use of signs, and providing fire rings and fireplaces in safe spots.

SUMMARY AND CONCLUSIONS

An inventory in the study area revealed the existence of some 250 outdoor recreation enterprises of types which might be established on farm lands with private capital.

Certain locational patterns were explained by geographic and demographic characteristics of the area. Vacation farms were concentrated in the eastern part of Ohio because of proximity to eastern cities; organized camps were concentrated in south-central Ohio because of proximity to Columbus, low land values and very favorable terrain. Pay lakes tended to be most numerous along the Ohio River, probably because a great number of river fisherman turned to pay lakes as the river became more and more polluted.

Location is a major factor determining the size and success of recreational enterprises, and this is especially true for those offering short-term experiences such as picnicking.

A majority of firms studied were sole proprietorships and were owner operated. Relatively few operators had any previous experience in recreation.

Over one-third of the firms borrowed money for their recreational enterprise at an average interest rate of about 5¾ percent.

At least one-third of all operators had plans for expansion and 82 percent of these operators indicated that they would take advantage of a low cost public loan program.

Several particular problems and limitations were common to many operators. Weather uncertainty, trespassing, trash disposal, and vandalism were significant problems to many firms.

Most operators had obtained some type of government aid in establishing their enterprises. In most cases, they agreed that government regulations were quite fair and reasonable.

The profit motive was the most important factor influencing operators' decisions to provide recreational facilities, with knowledge of other profitable enterprises also a strong influencing factor.

Vacation farms were most widely advertised; brochures and newspaper articles being most important to them. Shooting preserves were the second most widely advertised type of enterprise, using newspaper, TV, outdoor signs, and direct mail. Newspaper and outdoor signs were most important to riding stables. It was found that "yellow page" advertising was an excellent media, especially near larger towns and cities.

About 80 percent of all firms carried liability insurance. Average premiums seemed quite reasonable.

Half of the enterprises in this study were operated in conjunction with farming. The averages of all farms in this study were very close to the state average for commercial farms with respect to gross sales and value. Size of farm was larger than average but value per acre was less. Most farm-recreation operators were full owners.

Relatively short seasons and high peaks in patronage are quite common to most types of recreational enterprises and must be planned for in advance. An enterprise which receives most of its business on weekends and can operate only in warm weather is quite limited.

Economic evaluation of the various types of enterprises provided data on labor requirements, costs of land, land improvement, buildings, operating equipment, and merchandise inventory. Averages and ranges of these capital investment costs as well as for the various expense items were analyzed along with returns in the form of fees, retail sales,

etc., to give a picture of the profitability of each type of enterprise studied. Six enterprises showed a net cash loss and over half of the enterprises showed a loss after deduction of interest charges at $4\frac{1}{2}$ percent on invested capital. Although only three types of enterprises (pay lakes, vacation farms, and campgrounds) showed an average profit for all firms, at least one firm in each of the seven categories except riding stables made worth-while returns to family labor and management.

Expanding demand and sympathetic public attitudes have created a favorable climate for development of resources for recreation in southern Ohio. Farmers and other rural land owners are in a position to benefit from this situation. In many instances, they already own or control some of the basic elements needed for providing outdoor recreation and many are already doing so.

It is the conclusion of this study that development of resources for recreation with private capital can be profitable and can provide an excellent alternative use for excess labor or land. It is possible to begin most such operations on a small scale and increase as demand warrants. However, since less than half of the selected firms in this study were financially sound, it must be concluded that recreation, as a profit-making venture, is by no means an assured investment. Extreme caution and careful planning are necessary inasmuch as entrance into the field of recreation business is relatively easy.